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Economic prospects - business survey results

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Weakening general outlook but still buoyant investment intentions. — The industrial business climate indicator for the Community as a whole—based on the replies to the questions on production expectations and stocks of finished products, in the European Community business survey—declined by 5 percentage points between May and June 1980 (see Graph 1 and Table 1).

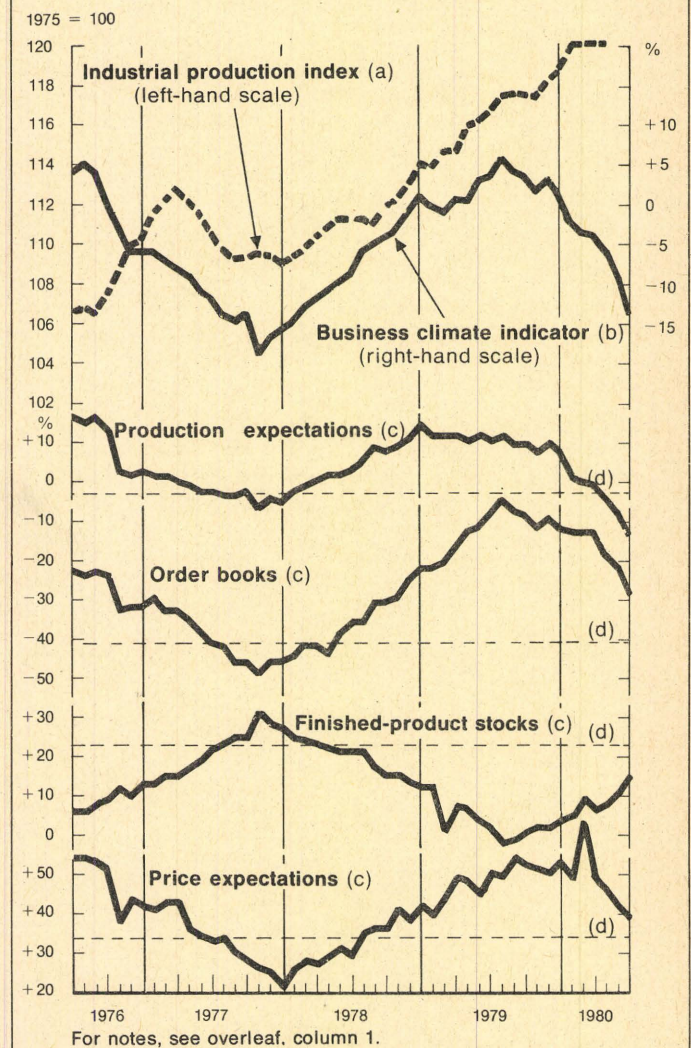
The fall in the business climate indicator, which signals likely developments in industrial production, now amounts to 23,5 percentage points since the peak reached in July 1979. As an indication of the steepness of decline of business confidence, this should be compared with the falls observed over corresponding 11-month periods leading the 1974/75 recession and the 1977 slowdown: thus, the business climate indicator fell by 20 percentage points between the July 1973 peak and June 1974, and by 21 percentage points between the September 1976 peak and August 1977. The decline in business confidence within Community industry is, therefore, somewhat more accentuated on this occasion—for the first 11 months since the peak—than in 1973/74 and 1976/77. It does not necessarily follow, however, that the slowdown which is already evident in industrial production will take on the dimensions of the 1974/75 recession; on this occasion, for example, the financial position of enterprises is stronger than in 1974/75, and experience has been gained in adjusting to oil shock situations. Among other business indicators, it is to be noted (below) that the investment intentions of industry for 1980 are on the whole remarkably strong.

Looking at the components of the business climate indicator (production expectations and stocks), the pessimistic majority of chief executives who expect industrial production to decrease in the months ahead advanced by 6 percentage points in June, while those considering stocks of finished products to be above normal increased by 4 percentage points. This deterioration has been underlined by the significant worsening reported in the level of order-books: the net balance of chief executives considering order-books to be below normal increased by 7 points between May and June; judgements on export order-books showed a similar deterioration (by 6 percentage points). On the positive side, industrial selling-price expectations continued to decline (by 3 percentage points) in June, indicating a less inflationary outlook for industrial products.

The industrial business climate in the Member States. — All Member States reported a more pessimistic industrial business climate in June (see Table 1 and Graph 2). Declines in the business climate indicator ranged from 13 points in Ireland, where the level is now below that of the trough of 1974/75, through 9 percentage points in the United Kingdom, 8 percentage points in Italy, 6,5 percentage points in Luxembourg, 5 percentage points in France, 4,5 percentage points in

Note: The main statistical measure used to summarize the results of the European Community business surveys is the difference between the percentages of respondents giving 'positive' and 'negative' replies to questions. Increasing or upward trends in production, order-books, stocks and selling prices are all counted as 'positive' (+ in the tables) and vice versa for 'negative' responses (- in the tables). For the purpose of interpretation, an increase in stocks is considered to be a negative development, and vice versa. The differences between the percentages of 'positive' and 'negative' responses are called in the text 'majorities' or 'net balances' (of $\pm \dots\%$). The monthly and quarterly data in the tables are seasonally adjusted, except where otherwise stated.

GRAPH 1: Business survey indicators for manufacturing industry and the index of industrial production - EC total



the Netherlands and 3 percentage points in the Federal Republic of Germany.

Judgements on the production outlook over the next 3 or 4 months were also more pessimistic in June (see Table 1 and Graph 3). Production expectations fell very sharply, by 22 percentage points, in Ireland, by 10 points in the United Kingdom, by 8 points in Belgium and 7 points in France. The decline of judgements on the industrial production outlook has been less marked in Italy, where the net balance fell by 5 percentage points and in the Federal Republic of Germany, the Netherlands and in Luxembourg, where the fall was 3 percentage points in each case.

Varying results between manufacturing sectors. — Recessionary tendencies have become rapidly and severely apparent in the motor-car industry where the net balance of responses on the order-book question has deteriorated from a positive 7% in January of this year to a negative 27% in June, a negative swing of 34%. Comparable swings in order-book positions were also recorded in chemicals (negative 37% swing) and mineral oil refining (negative 38% swing). However, these are extreme cases. In the case of motor-cars this reflects in part the fact that this industry has had an uninterrupted boom for four years: thus in the 1977 recession this was the only industry (distinguished in Table 3) in which the net balance of opinions on order-books remained positive.

For the average of all manufacturing industries over the six months from January to June the net balance of opinions on order-books declined 16%, with near-average results reported for textiles, clothing and footwear, timber and wooden furniture, paper and related products, leather goods and domestic electrical appliances. Thus the present recessionary tendencies are far less marked in these basic and mostly traditional sectors of production, compared to the motor-car industry for which the business cycle is notoriously pronounced.

Consistent with the investment intentions reported below, order-books for mechanical and electrical engineering goods and metal manufactures have shown little or no decline from January to June.

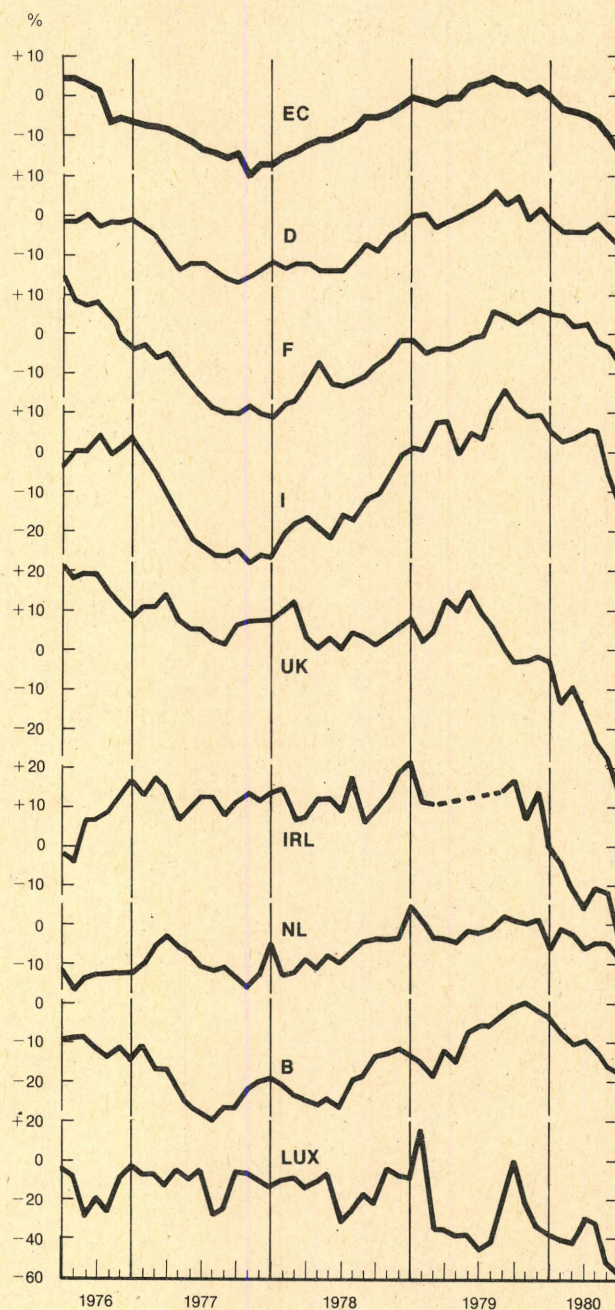
Buoyant industrial investment in 1980. — Industrial investment is expected by chief executives to increase by 16% in value terms in 1980, according to the Community survey carried out in March and April (see Table 2). On the basis of recent price forecasts, industrialists' nominal investment projections correspond to a real industrial investment rise of approximately 5.4% in 1980. This is an upward revision (of some 2 percentage points in value and 1.9 percentage point in volume terms) by industrialists of their earlier forecasts for 1980, given in the October/November, 1979, survey. Industrial investment is expected to advance strongly, in value and volume terms, in the Federal Republic of Germany 15% (10% in volume), France 16% (8 1/2% in volume), Italy 31% (12 1/2% in volume), the Netherlands 18% (10% in volume) and Belgium 41% (31% in volume). On the other hand, industrialists expect their investment in 1980 to rise modestly in value terms in Ireland (6.5%) and the United Kingdom (2%), which implies substantial declines in volume terms in both cases. Sectors enjoying the strongest expected investment growth in 1980 are basic materials and the metallurgical industry (both 21% in value terms), and the mechanical industries (18%).

Comparing industrialists' estimate of investment outlays in current money values in 1979 with their forecasts for 1980, the most substantial changes have occurred in the Netherlands (no increase in 1979, increase of 18%), Belgium (16% in 1979, 41% in 1980), Ireland (a fall from 19% in 1979 to 6 1/2% in 1980) and the United Kingdom (from 12% in 1979 to 2% in 1980).

Worsening business conditions in the construction sector. — Order-books in the construction industry deteriorated noticeably in the Federal Republic of Germany, Italy, the Netherlands and Luxembourg in June (see Table 4). Parallel with this development, employment prospects have diminished, except in the Netherlands where, however, employment expectations (a net balance of -12 percentage points) were already weak in the preceding survey. However, the order-book and employment situation in the construction sector is still, despite the recent deterioration, relatively buoyant, compared to that in the 1975 recession, in the Federal Republic of Germany, Italy and Luxembourg. Only in Belgium is the situation in the construction sector now close to that experienced in the 1975 recession; here a net balance of 37% of chief executives now consider order-books to be below normal (as against 47% in 1975), while employment expectations are weaker now (-34%) than in 1975 (-24%).

Brussels, 14 July 1980.

GRAPH 2: Business climate of manufacturing industry - EC and Member States



Note: Composite indicator based on the replies to the questions on production expectations and stocks of finished products. The indicator is an average of the net balances: i.e. differences between the percentages of respondents giving positive and negative replies. Derived from data as shown in Table 1, with the sign inverted for stocks.

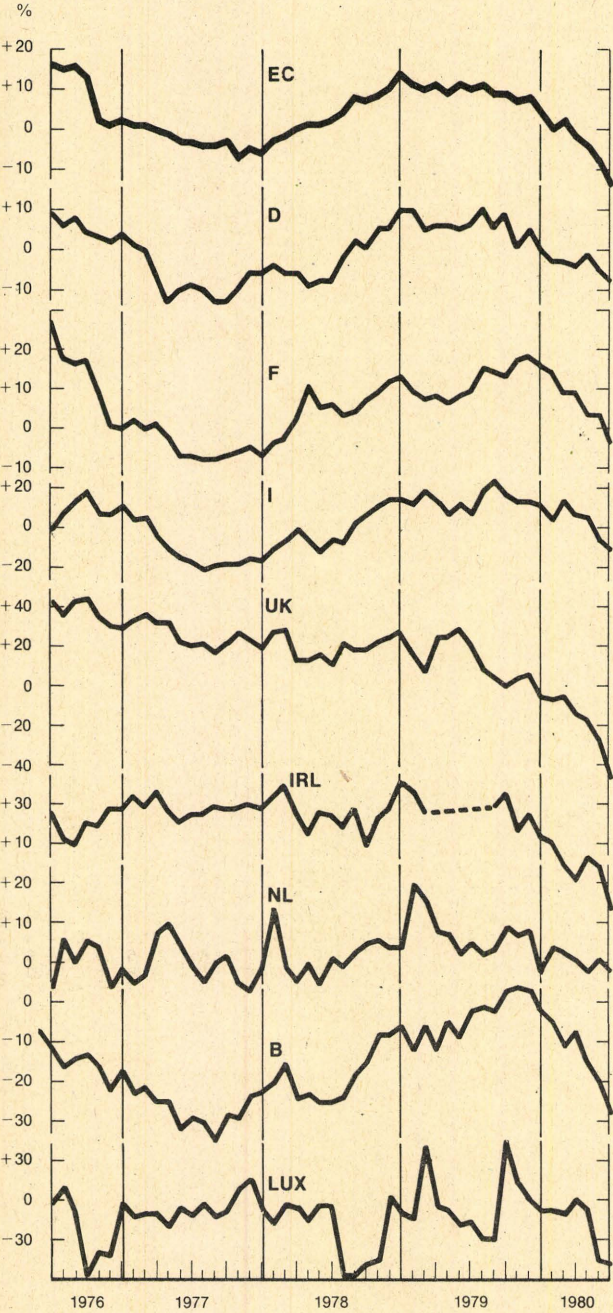
Source: European Community business surveys.

Notes on Graph 1.

- Industrial production excluding building and construction and, in the case of France, the foodstuffs and beverages industry. Three months' moving average.
- Composite indicator based on the replies to the questions on production expectations and stocks of finished products. The indicator is an average of the net balances, i.e. differences between the percentages of respondents giving positive and negative replies. Derived from data as shown in Table 1, with the sign inverted for stocks.
- Net balances, i.e. differences between the percentages of respondents giving positive and negative replies (see notes on final page).
- Dotted line shows average for 1968-1977.

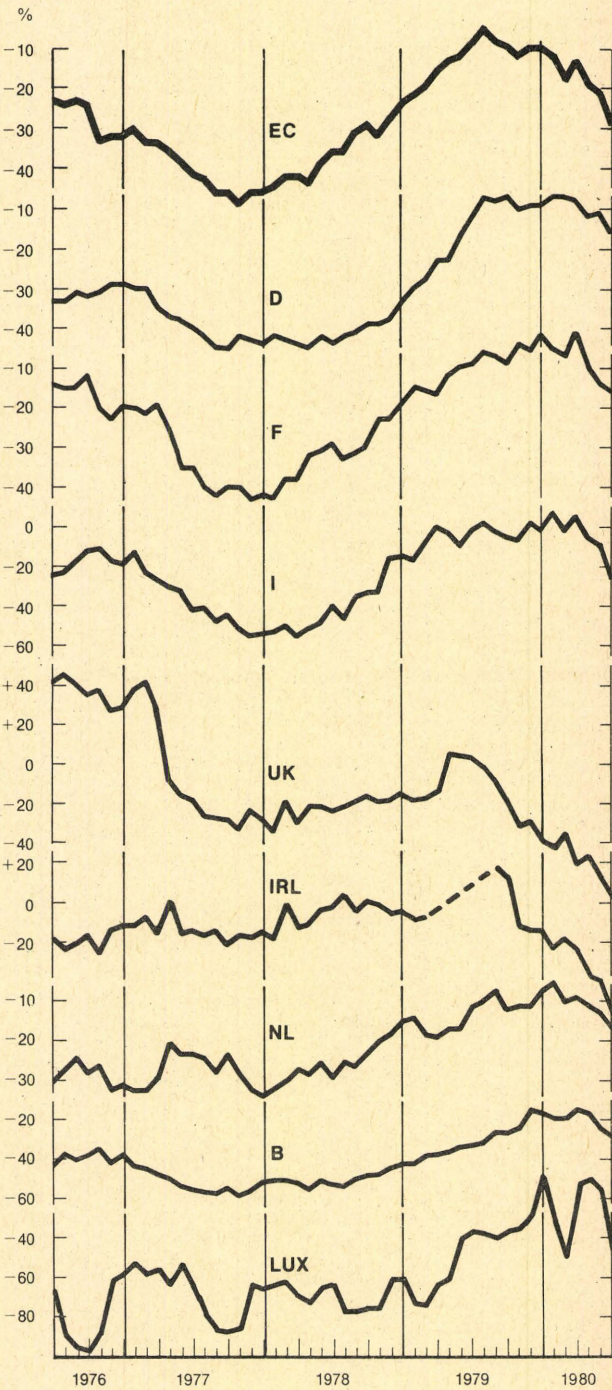
Source: European Community business surveys and Eurostat.

GRAPH 3: Production outlook for manufacturing industry - EC and Member States (a)



(a) Net balances: i.e. differences between the percentages of respondents giving positive and negative replies.
Source: European Community business surveys.

GRAPH 4: Order-books in manufacturing industry - EC and Member States (a)



(a) Net balances: i.e. differences between the percentages of respondents giving positive and negative replies.
Source: European Community business surveys.

TABLE 3: Business survey in certain manufacturing sectors: EC total (a)

Net balances: i.e. differences between the percentage of respondents giving positive and negative replies (s.a.) (b)

Industrial groups	1977	1978	1979	1979		1980		1980		1980			
				III	IV	I	II	Jan.	Feb.	March	April	May	June
Production expectations													
Textile industry	-10	0	+1	+4	-5	-10	-18	-11	-7	-12	-15	-16	-23
Clothing and footwear	-2	+4	+9	+13	+6	+3	-3	+5	+3	+1	+1	-3	-7
Timber and wooden furniture	-4	+1	+6	+4	+3	-2	-6	+3	-3	-5	-4	-4	-11
Paper and paper products; printing and publishing	+3	+11	+6	+6	-1	-2	-14	-5	+4	-5	-11	-15	-15
Leather and leather goods (except footwear and wearing apparel)	0	+3	+2	+8	-9	-9	-22	-6	-3	-18	-20	-22	-24
Mineral oil refining	-3	+8	-1	-2	-1	+8	0	+25	+2	-2	+4	-3	-2
Production and preliminary processing of metals	-21	-4	+5	+10	+8	-12	-16	-13	-7	-16	-11	-14	-23
Non-metallic mineral products (ceramics, etc.)	-8	-2	+4	+2	+7	+1	-8	-1	+5	-1	-3	-8	-13
Chemical industry	+6	+11	+7	+12	-2	-4	-19	-3	0	-10	-6	-16	-25
Manufacture of metal articles	-5	0	+3	+3	+7	-1	-4	0	0	-2	-4	-6	-3
Mechanical engineering	-3	-1	+7	+7	+12	+7	-2	+5	+8	+8	+4	-2	-9
Electrical engineering	+3	+13	+8	+9	+8	+6	+1	+4	+4	+11	+11	-1	-6
Domestic electrical appliances; radio and television sets	-6	+10	+3	+7	+4	-5	-8	-10	-4	0	+3	-10	-16
Manufacture of motor vehicles and accessories	+14	+16	+14	+17	+9	+1	-6	+6	-2	0	0	-6	-12
Order-books													
Textile industry	-51	-38	-15	-11	-19	-28	-38	-24	-32	-27	-34	-37	-43
Clothing and footwear	-24	-22	-3	+3	-6	-14	-28	-11	-14	-15	-26	-27	-30
Timber and wooden furniture	-43	-41	-18	-11	-10	-14	-21	-11	-23	-7	-16	-19	-27
Paper and paper products; printing and publishing	-30	-15	-3	+1	-8	-17	-29	-16	-17	-18	-23	-31	-32
Leather and leather goods (except footwear and wearing apparel)	-35	-26	-18	-10	-31	-37	-42	-33	-41	-37	-28	-49	-50
Mineral oil refining	-28	-33	+7	+11	+14	-6	-27	+2	-11	-11	-22	-20	-40
Production and preliminary processing of metals	-69	-65	-31	-26	-31	-31	-34	-26	-40	-26	-33	-32	-36
Non-metallic mineral products (ceramics, etc.)	-47	-40	-15	-10	-11	-8	-12	-9	-17	+3	-9	-10	-18
Chemical industry	-36	-28	+6	+17	+10	+2	-21	+6	+1	-1	-12	-18	-32
Manufacture of metal articles	-40	-32	-17	-9	-17	-15	-13	-14	-19	-12	-13	-13	-21
Mechanical engineering	-42	-43	-24	-22	-20	-20	-18	-19	-26	-13	-18	-14	-24
Electrical engineering	-28	-18	-17	-16	-19	-12	-17	-10	-17	-11	-18	-16	-16
Domestic electrical appliances; radio and television sets	-30	-15	-19	-12	-22	-16	-26	-13	-22	-12	-19	-32	-26
Manufacture of motor vehicles and accessories	+9	+9	+12	+16	+9	+10	-14	+7	+16	+7	-7	-9	-27
Export order-books													
Textile industry	-45	-34	-30	-32	-34	-40	-45	-36	-46	-36	-40	-43	-51
Clothing and footwear	-36	-43	-17	-13	-13	-25	-39	-21	-22	-28	-40	-34	-42
Timber and wooden furniture	-40	-35	-27	-23	-26	-27	-28	-19	-34	-26	-15	-26	-42
Paper and paper products; printing and publishing	-33	-32	-12	-5	-13	-29	-31	-21	-34	-31	-32	-27	-33
Leather and leather goods (except footwear and wearing apparel)	-21	-21	-26	-27	-39	-46	-47	-43	-53	-43	-32	-48	-60
Mineral oil refining	-5	-21	-2	-9	+3	+14	-6	+28	+12	+4	-4	-7	-7
Production and preliminary processing of metals	-13	-13	-17	-11	-23	-31	-31	-35	-37	-22	-24	-35	-35
Non-metallic mineral products (ceramics, etc.)	-16	-12	-9	-7	-7	-8	-14	-11	-11	-3	-8	-12	-23
Chemical industry	-12	-9	+8	+11	+10	+1	-12	+1	+1	+2	0	-13	-24
Manufacture of metal articles	-12	-17	-29	-30	-30	-33	-25	-29	-39	-29	-21	-27	-27
Mechanical engineering	-14	-21	-26	-27	-27	-30	-26	-31	-35	-25	-26	-23	-28
Electrical engineering	-20	-23	-26	-31	-31	-26	-23	-28	-32	-20	-33	-19	-17
Domestic electrical appliances; radio and television sets	-20	-23	-23	-27	-21	-21	-26	-32	-28	-5	-25	-29	-24
Manufacture of motor vehicles and accessories	-4	-1	+3	+3	-3	-3	-15	-9	+1	0	-6	-16	-22
Stocks of finished products													
Textile industry	+40	+34	+19	+14	+23	+29	+30	+25	+34	+26	+27	+29	+34
Clothing and footwear	+31	+24	+11	+8	+14	+20	+24	+18	+21	+19	+22	+23	+27
Timber and wooden furniture	+23	+24	+9	+5	+4	+7	+3	+8	+7	+4	-2	+2	+9
Paper and paper products; printing and publishing	+20	+14	+8	+8	+8	+11	+15	+8	+12	+13	+11	+16	+19
Leather and leather goods (except footwear and wearing apparel)	+22	+26	+9	+2	+15	+27	+33	+23	+31	+26	+25	+35	+39
Mineral oil refining	+23	+7	-25	-43	-32	-14	0	-16	-19	-10	-11	-1	+12
Production and preliminary processing of metals	+14	+11	0	-4	-3	-5	-2	-7	-3	-5	-1	-3	-3
Non-metallic mineral products (ceramics, etc.)	+26	+28	+12	+8	+6	+1	-1	+4	+2	-6	-5	-1	+2
Chemical industry	+24	+16	-5	-14	-5	+6	+17	0	+5	+11	+11	+13	+26
Manufacture of metal articles	+25	+13	+1	-7	-5	+1	+3	+1	+2	0	0	+4	+4
Mechanical engineering	+20	+23	+10	+9	+8	+9	+10	+7	+13	+6	+9	+9	+13
Electrical engineering	+24	+20	+16	+14	+14	+17	+22	+16	+21	+16	+24	+23	+18
Domestic electrical appliances; radio and television sets	+30	+23	+31	+29	+28	+32	+39	+29	+39	+27	+34	+40	+42
Manufacture of motor vehicles and accessories	+3	-4	-13	-24	-6	-1	+13	+5	+1	-9	+3	+15	+22
Selling-price expectations													
Textile industry	+21	+34	+50	+60	+56	+59	+43	+56	+65	+56	+47	+43	+38
Clothing and footwear	+40	+36	+50	+57	+50	+50	+48	+54	+55	+44	+52	+47	+44
Timber and wooden furniture	+35	+35	+52	+63	+56	+63	+59	+57	+73	+60	+62	+60	+54
Paper and paper products; printing and publishing	+37	+41	+56	+66	+66	+68	+54	+63	+77	+63	+60	+53	+50
Leather and leather goods (except footwear and wearing apparel)	+31	+43	+42	+53	+23	+16	-5	+23	+31	0	-2	-11	-1
Mineral oil refining	+42	+29	+60	+77	+32	+51	+77	+45	+63	+48	+66	+63	+100
Production and preliminary processing of metals	+19	+36	+41	+46	+54	+51	+25	+54	+60	+42	+39	+26	+9
Non-metallic mineral products (ceramics, etc.)	+37	+32	+44	+53	+57	+60	+47	+56	+68	+53	+46	+47	+49
Chemical industry	+28	+30	+48	+62	+45	+55	+22	+58	+69	+38	+28	+22	+16
Manufacture of metal articles	+34	+32	+43	+54	+50	+47	+49	+42	+55	+45	+51	+49	+47
Mechanical engineering	+34	+38	+38	+43	+47	+48	+41	+46	+52	+45	+44	+42	+38
Electrical engineering	+35	+28	+33	+44	+45	+43	+42	+41	+52	+38	+48	+40	+38
Domestic electrical appliances; radio and television sets	+31	+24	+34	+44	+41	+36	+32	+45	+53	+14	+31	+33	+32
Manufacture of motor vehicles and accessories	+45	+40	+40	+45	+46	+49	+42	+37	+52	+55	+52	+41	+32

(a) Denmark excluded.

(b) For the exact formulation of the questions, see the notes on page 6.

The annual and quarterly figures are averages of the corresponding monthly data. The seasonal adjustment applied to the most recent observations is sometimes provisional, so that such data are subject to later revision.

Note: Compared to earlier numbers of this Supplement, the above table has been substantially revised in the present (July 1980) issue. The corrections arise from the inclusion of data for the United Kingdom in the following sectors, from which they had previously been absent: clothing and footwear, timber and wooden furniture, paper and paper products, printing and publishing, leather and leather goods (except footwear and wearing apparel), and domestic appliances, radio and television sets.

Source: European Community business surveys.

TABLE 1: **Monthly survey of manufacturing industry** — Monthly questions and the composite business climate indicator
Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (a)

		Range (b)		1977	1978	1979	1979		1980		1980					
		Peak	Trough				III	IV	I	II	Jan.	Feb.	March	April	May	June
		72/73	74/75													
D	production expectations	+17	-32	-8	-2	+6	+8	+2	-3	-5	-3	-3	-4	-1	-5	-8
	order-books	+5	-73	-42	-41	-15	-7	-9	-7	-13	-7	-7	-8	-12	-11	-16
	export order-books (c)	+23	-33	-6	-8	+4	+4	+2	+3	-2	+5	+2	+2	+1	-1	-5
	stocks of finished products	-7	+43	+18	+17	+4	+1	+2	+4	+5	+4	+4	+4	+3	+5	+8
	selling-price expectations	+55	+4	+14	+19	+32	+37	+33	+36	+28	+38	+37	+34	+31	+28	+25
	business climate indicator	+5	-37,5	-13	-9,5	+1	+4,5	0	-3,5	-5	-3,5	-3,5	-4 ^R	-2	-5	-8
F	production expectations	+33	-29	-5	+5	+12	+14	+17	+11	+1	+14	+9	+9	+3	+3	-4
	order-books	+26	-69	-38	-31	-9	-7	-4	-4	-13	-5	-7	0	-10	-14	-16
	export order-books	+24	-66	-34	-21	-1	+3	+4	-6	-21	-5	-5	-7	-15	-21	-26
	stocks of finished products	-14	+50	+28	+25	+10	+5	+6	+3	+9	+3	+4	+3	+7	+9	+12
	selling-price expectations	+76	+15	+42	+52	+55	+57	+59	+60	+54	+59	+62	+58	+57	+53	+52
	business climate indicator	+23,5	-39,5	-16,5	-10	+1	+4,5	+5,5	+3,5	-4	+5,5	+2,5	+3	-2	-3	-8
IRL	production expectations	:	-21	+29	+26	:	:	+19	+1	-7	+11	-1	-8	+4	-1	-23
	order-books	:	-68	-13	-5	:	:	-13	-22	-44	-23	-18	-24	-37	-39	-56
	export order-books	:	-22	+27	+19	:	:	+8	-1	+2	-20	+5	+12	+7	-11	+9
	stocks of finished products	:	+35	+4	+4	:	:	+2	+20	+24	+17	+20	+23	+25	+21	+25
	selling-price expectations	:	+64	+44	+35	:	:	+59	+58	+48	+57	+57	+59	+41	+50	+54
	business climate indicator	:	-28	+12,5	+11	:	:	+8	-9,5	-15	-3	-10,5	-15,5 ^R	-10,5 ^R	-11	-24
I	production expectations	+40	-43	-15	0	+13	+20	+12	+7	-4	+4	+14 ^R	+7	+5	-6	-11
	order-books	+30	-82	-46	-40	-5	-2	-2	+4	-13	+7	-2 ^R	+5	-5	-9	-26
	export order-books	+13	-67	-32	-29	-14	-16	-14	-15	-33	-10	-21	-13	-21	-35	-43
	stocks of finished products	-24	+53	+31	+25	-1	-6	-5	-2	+6	-3	+2	-6	-6	+7	+18
	selling-price expectations	+76	+10	+38	+41	+73	+83	+79	+74 ^R	+58	+76	+87 ^R	+63	+62	+58	+55
	business climate indicator	+32	-48	-23	-12,5	+5	+13	+8,5	+4,5	-5	+3,5	+6 ^R	+6,5 ^R	+5,5	-6,5	-14,5
NL	production expectations	+26	-23	+1	+2	+7	+5	+4	+3	-1	+4	+3	+1	-2	+1	-2
	order-books	+7	-48	-29	-24	-13	-10	-10	-8	-14	-5	-10	-9	-11	-13	-17
	stocks of finished products	-1	+57	+22	+16	+8	+5	+5	+7	+10	+4	+7	+11	+6	+9	+15
	selling-price expectations	+13,5	-40	-10,5	-7	-0,5	0	-0,5	-2	-5,5	0	-2 ^R	-5	-4	-4	-8,5
	business climate indicator	+22,5	-46,5	-21	-20	-7,5	-3,5	-1	-8	-14,5	-6,5	-9	-8 ^R	-11,5	-15,5	-17
	business climate indicator	+22,5	-46,5	-21	-20	-7,5	-3,5	-1	-8	-14,5	-6,5	-9	-8 ^R	-11,5	-15,5	-17
B	production expectations	+31	-56	-24	-18	-3	0	+2	-8	-21	-5	-11	-7	-15	-20	-28
	order-books	+13	-14	-54	-49	-30	-28	-18	-18	-23	-19	-19	-16	-18	-24	-28
	export order-books	+15	-82	-58	-51	-28	-28	-21	-22	-26	-22	-21	-22	-20	-25	-33
	stocks of finished products	-14	+37	+18	+22	+12	+7	+3	+8	+8	+8	+7	+9	+8	+11	+6
	selling-price expectations	+64	-10	+10	+14	+27	+30	+36	+34	+19	+39	+31	+31	+26	+21	+10
	business climate indicator	+22,5	-46,5	-21	-20	-7,5	-3,5	-1	-8	-14,5	-6,5	-9	-8 ^R	-11,5	-15,5	-17
L	production expectations	+90	+98	-8	-22	-2	-4	+2	-5 ^R	-32	-8 ^R	-10 ^R	+3	-6	-44	-47
	order-books	:	:	-73	-68	-44	-39	-23	-31 ^R	-25	-32	-49 ^R	-11 ^R	-9	-15	-50
	export order-books	:	:	-78	-76	-26	-2	-6	-33	-27	-41	-58	0	+4	-16	-68
	stocks of finished products	-23	+69	+13	+6	-48	+51	+69	+67	+59	+68	+73	+60	+54	+57	+67
	selling-price expectations	:	-46	+55	+59	+14	+8	+32	+22	+5	+25	+22	+19	+26	-2	-9
	business climate indicator	+56,5	+14,5	-10,5	-14	-25	-27,5	-33,5	-36 ^R	-46	-38	-41,5 ^R	-28,5	-30	-50,5	-57
UK	production expectations	:	:	+25	+20	+16	+6	+7	-8 ^R	-27	-6	-5 ^R	-13	-17	-27	-37
	order-books	:	:	-14	-20	-13	-7	-29	-45	-57	-42 ^R	-34 ^R	-49	-46	-58	-67
	export order-books	:	:	-1	-24	-20	-16	-26	-32	-37	-38	-27	-32	-29	-36	-47
	stocks of finished products	:	:	+10	+12	+7	+3	+12	+16 ^R	+30	+18	+12	+18	+29	+27	+35
	selling-price expectations	:	:	+61	+50	+65	+61	+64	+59	+48	+54	+61	+61	+56	+47	+40
	business climate indicator	:	:	+7,5	+4	+4,5	+1,5	-2,5	-12 ^R	-28,5	-12	-8,5 ^R	-15,5 ^R	-23	-27	-36
EC	production expectations	+24	-30	-2 ^R	+4	+7 ^R	+9 ^R	+6 ^R	0	-9	0 ^R	+2 ^R	-2 ^R	-4	-8	-14
	order-books	+15	-70	-40	-37	-12	-7	-11	-13	-23	-13	-18 ^R	-13	-19	-22	-29
	export order-books	+14	-48	-18 ^R	-20	-6	-6	-8	-9	-19	-8	-9	-10	-13	-19	-25
	stocks of finished products	-10	+48	+22	+20	+5 ^R	+1	+4	+7	+11	+5	+10	+7	+8	+11	+15
	selling-price expectations	+19	+63	+33	+33	+49	+52	+51	+51	+42	+49 ^R	+64 ^R	+49	+46	+42	+39
	business climate indicator	+16,5	-38,5	-12 ^R	-8	+1 ^R	+4 ^R	+1 ^R	-3,5 ^R	-10	-2,5	-4 ^R	-4,5 ^R	-6	-9,5	-14,5

(a) Details of the questions are given on page 6. For a description of the climate indicator, please see the notes to Graph 1.
(b) These are the extreme recent (high and low) values of the net balances of the different questions, reached in the course of 1972/1973 and 1974/1975, respectively.
(c) The series for the Federal Republic of Germany concerns the export outlook, rather than orders as such.
Note: (s.a.) = seasonally adjusted.
: = not available.
R = revised.

The annual and quarterly figures are averages of the corresponding monthly data. The seasonal adjustment applied to the most recent observations is sometimes provisional, so that such data are subject to later revision.
Source: European Community business surveys.

TABLE 2 (I): **Half-yearly industrial investment survey: estimates for 1979 and prospects for 1980.**
Results of the March-April 1980 investment survey, % change in value, over the preceding year.

	Basic materials industries (a)		Metallurgical industries		Mechanical industries		Processing industries (b)		Extractive industries		Food industries		Total all industry	
	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980	1979	1980
D	+4	+16	+28	+7	+19	+18	+17	+11	0	+16	+8	+12	+16	+15
F	+10	+22	-12	+14	+11	+19	+9	+10	+23	-2	+13	+9	+10	+16
IRL	+18	-1	+138	-38	-17	+3	+22	-11	:	:	+18	+32	+19	+6,5
I	-5	+29	-9	+63	+22	+21	+10	+13	+79	+49	+59	+20	+10	+31
NL	-25	+46	+28	+14	+3	+13	+38	-9	-14	+18	+12	+20	0	+18
B	-6	+15	+32	+84	+34	+68	+5	+26	:	:	+21	+3	+16	+41
L	-7	+17	-10	+15	+52	-31	-1	-75	:	:	:	:	-5	+7
UK	+9	+8	-9	-12	+19	+2	+24	-3	:	:	+7	+4	+12	+2
EC	+5	+21	+5	+21	+17	+18	+15	+8	:	:	+15	+11	+11	+16

TABLE 2 (II): **Survey estimates and forecasts for total industrial investment.**
Total industry, % change in value in relation to preceding year.

Year to which data relate:		1976						1977						1978						1979						1980					
Date of survey:		Oct./ Nov. 1976	March/ April 1977	Oct./ Nov. 1976	March/ April 1977	Oct./ Nov. 1977	March/ April 1978	Oct./ Nov. 1977	March/ April 1978	Oct./ Nov. 1978	March/ April 1979	Oct./ Nov. 1978	March/ April 1979	Oct./ Nov. 1979	March/ April 1980	Oct./ Nov. 1979	March/ April 1980	Oct./ Nov. 1979	March/ April 1980	Oct./ Nov. 1979	March/ April 1980										
D		+ 5	+ 5	+ 6	+ 8	+ 7	+ 3	+ 7	+ 8	+ 10	+ 9	+ 9	+ 11	+ 13	+ 14	+ 12	+ 15														
F		+ 12	+ 9	+ 6	+ 12	+ 11	+ 10	+ 12	+ 12	+ 9	+ 8	+ 15	+ 16	+ 10	+ 10	+ 15	+ 16														
IRL (c)		:	:	:	:	+ 5	+ 11	+ 21	+ 41	+ 36	+ 43	+ 26	+ 29	+ 19	+ 19	+ 12	+ 6,5														
I		- 3	+ 7	+ 24	+ 12	+ 3	+ 5	+ 10	+ 2	- 0,5	+ 6	+ 24	+ 19	+ 5	+ 10	+ 26	+ 31														
NL		:	:	:	:	+ 16	+ 17	+ 3	+ 6	+ 4	+ 3	- 5	+ 4	+ 1	0	+ 13	+ 18														
B (c)		- 24	- 21	:	- 5	- 10	- 1	:	- 1	- 6	- 4	:	+ 15	+ 12	+ 16	+ 30	+ 41														
L (d)		+ 7	- 7	+ 61	+ 64	+ 50	+ 13	+ 6	+ 48	+ 23	+ 22	+ 27	- 1	+ 22	- 5	- 5	+ 7														
UK (c)		+ 13	+ 14	+ 28	+ 25	+ 24	+ 23	+ 26	+ 26	+ 19	+ 19	+ 18	+ 15	+ 9	+ 12	+ 4	+ 2														
EC		+ 6	+ 7	:	+ 12	+ 11	+ 10	+ 12	+ 11	+ 9	+ 9	+ 13	+ 14	+ 10	+ 11	+ 14	+ 16														

(a) Chemicals, man-made fibres, petroleum refining, rubber processing, etc.
(b) Manufacture of textiles, footwear, wood, paper, together with the printing and processing of plastics industries.
(c) Excluding the extractive industries. (d) Excluding the extractive and food industries.
Source: European Community business surveys.

TABLE 4: Survey of the construction industry.

Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (a)

		Range (b)		1977	1978	1979	1979		1980		1980					
		Peak	Trough				III	IV	I	II	Jan.	Feb.	March	April	May	June
		72/73	74/75													
D	order-books	-17	-84	-59	-32	-7	-6	-10	-15	-24	-14	-14	-17	-17	-25	-29
	employment expectations	+10	-60	-16	+5	+9	+1	+7	+6	-5	+10	+6	+3	+2	-7	-11
	price expectations	+48	-37	+15	+28	+30	+27	+16	+21	+3	+18	+21	+25	+19	+3	-12
F	order-books	:	:	-61	-48	:	-27	-29	-28	:	:	:	:	:	:	:
(c)	employment expectations	:	:	-27	-19	:	-10	-13	-5	:	:	:	:	:	:	:
I	order-books	-25	-68	-40	-40	-29	-24	-33	-33	-30	-41	-28	-29	-28	-30	-33
	employment expectations	+10	-44	-16	-16	-12	-12	-13	-12	-13	-15	-10	-12	-9	-13	-17
	price expectations	+85	+30	+61	+62	+71	+76	+73	+71	+74	+70	+74	+70	+73	+70	+79
NL	order-books	-8	-81	-25	-19	-19	-19	-23	-25	-39	-26	-25	-25	-36	-38	-42
	employment expectations	+14	-13	+8	+12	+11	+7	+12	+9	-9	+8	+12	+8	-3	-12	-12
B	order-books	-13	-47	-35	-39	-28	-22	-27	-30	-37	-27	-32	-31	-36	-37	-37
	employment expectations	+31	-24	-12	-9	0	+2	+2	-8	-26	-9	-5	-10	-14	-29	-34
	price expectations	+75	+25	+44	+31	+43	+54	+44	+42	+36	+37	+53	+37	+33	+41	+35
L	order-books	+21	-50	-36	-11	-7	-14	+9	-3	-2	+2	-12	+1	+2	-1	-8
	employment expectations	+31	-39	-8	+14	+16	+7	+26	+8	+11	+20	-3	+8	+20	-6	+20
	price expectations	+82	+11	+23	+27	+46	+60	+50	+61	+65	+63	+51	+69	+81	+66	+49
UK	order-books	:	:	-25	-8	:	-15	-21	-31	:	:	:	:	:	:	:
(c)	employment expectations	:	:	-20	-2	:	-11	-11	-12	:	:	:	:	:	:	:
	price expectations	:	:	+45	+53	:	+70	+67	+63	:	:	:	:	:	:	:
EC	order-books	:	:	-46	-32	:	-17	-22	-26	:	:	:	:	:	:	:
(d)	employment expectations	:	:	-18	-9	:	-6	-5	-4	:	:	:	:	:	:	:

(a) Details of the questions are given below.

(b) These are the extreme recent (high and low) values of the net balances of the different questions, reached in the course of 1972/1973 and 1974/1975, respectively.

(c) Not seasonally adjusted.

(d) Owing to lack of data for certain Member States, Community totals are incomplete.

Note: The annual and quarterly figures are averages of the corresponding monthly data, except for France and the United Kingdom, where the survey is carried out on a quarterly basis. The monthly and related quarterly data are seasonally adjusted; the seasonal adjustment applied to the most recent observations is sometimes provisional, so that such data are subject to later revision.

Source: European Community business surveys.

European Community business surveys

The Community's business surveys, of industry and the construction sector, have been progressively developed since 1962. They are undertaken by national institutions on the basis of the Commission's harmonized questionnaires. The results are communicated to the Commission which processes and publishes the data for Member States and the Community as a whole. The number of enterprises surveyed in manufacturing industry is about 20 000, and in the construction sector about 10 000.

The questions put in the business surveys have the content and periodicity set out below. In general, the questionnaires are sent out at end-month and are returned by the respondents in the course of the following two or three weeks.

QUESTIONS

Manufacturing industry, excluding food, beverages and tobacco

Monthly:

- production expectations for the months ahead: up, unchanged, down?
- stocks of finished products: above normal, normal, below normal?
- order-books: above normal, normal, below normal?
- export order-books: above-normal, normal, below normal?
- selling price expectations in the months ahead: up, unchanged, down?
- production trends in recent past: up, unchanged, down?

Quarterly (January, April, July and October):

- capacity utilization: in %?
- production capacity: more than sufficient, sufficient, not sufficient?
- duration of assured production: in months?
- new orders in the recent past: up, unchanged, down?
- export volume expectations for the months ahead up, unchanged, down?
- stocks of raw materials: high, normal, low?

Three times a year (carried out in January/February, June/July and October/November):

- limits to production: none, insufficient demand, shortage of labour, lack of equipment?

Half-yearly (carried out in June/July and October/November):

- Employment expectations for the months ahead: up, unchanged, down?

All industries, including manufacturing, extractive and food

Half-yearly (undertaken in March/April and October/November):

- investment trends and prospects: yearly percentage change of investment expenditure in current money values.

Construction industry

Monthly (except for France and the United Kingdom, where the survey is carried out quarterly):

- current production compared with the preceding month: up, unchanged, down?
- factors holding up production: bad weather, shortage of manpower, shortage of equipment, none?
- order-books or production schedules: above normal, normal, below normal?
- employment expectations for the months ahead: up, unchanged, down?
- price expectations in the months ahead: up, unchanged, down?

Quarterly (undertaken in March, June, September and December):

- duration of assured production: in months?

The surveys are undertaken by:

- D - Federal Republic of Germany: IFO (Institut für Wirtschaftsforschung)
- F - France: INSEE (Institut National de la Statistique et des Etudes Economiques)
- IRL - Ireland: CII (Confederation of Irish Industries) and ESRI (Economic and Social Research Institute)
- I - Italy: ISCO (Istituto Nazionale per lo Studio della Congiuntura)
- NL - Netherlands: CBS (Centraal Bureau voor de Statistiek)
- B - Belgium: Banque Nationale de Belgique
- L - Luxembourg: STATEC (Service Central de la Statistique et des Etudes Economiques)
- UK - United Kingdom: CBI (Confederation of British Industry), for the manufacturing industry survey.
- DI (Department of Industry), for the investment survey.
- DE (Department of Environment), for the construction survey.

Supplement B to 'European Economy', gives a monthly selection of the most recent results. Articles containing more detailed analyses and longer time-series of data appear periodically in the main editions of 'European Economy'. The surveys of manufacturing industry are broken down by twenty industrial sectors, and also by consumer, intermediate and capital goods branches; the results in this detail are published each month by the Office for Official Publications of the European Communities in 'Business surveys' (ISSN 0378-4479). The results of consumer surveys appear three times a year in Supplement C to 'European Economy'.

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